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less than seven thousand six hundred twenty-five dollars per bed but exceeded six thousand eight hundred dollars per bed;

- (c) Four dollars and fifty cents per resident day if the cost of construction was six thousand eight hundred dollars or less per bed but exceeded five thousand one hundred fifty dollars per bed;
 - (d) Three dollars and fifty cents per resident day if the cost of construction was five thousand one hundred fifty dollars or less but exceeded three thousand five hundred dollars per bed;
 - (e) Two dollars and fifty cents per resident day if the cost of construction was three thousand five hundred dollars or less per bed.
- (6) For facilities with dates of licensure after December 31, 1979, but prior to January 1, 1981, not exceeding:
- (a) Twelve dollars per resident day if the beds were originally licensed as residential facility beds by the department of mental retardation and developmental disabilities;
 - (b) Six dollars per resident day if the beds were originally licensed as nursing home beds by the department of health.
- (7) For facilities with dates of licensure after December 31, 1980, but prior to January 1, 1982, not exceeding:
- (a) Twelve dollars per resident day if the beds were originally licensed as residential facility beds by the department of mental retardation and developmental disabilities;
 - (b) Six dollars and forty-five cents per resident day if the beds were originally licensed as nursing home beds by the department of health.
- (8) For facilities with dates of licensure after December 31, 1981, but prior to January 1, 1983, not exceeding:
- (a) Twelve dollars per resident day if the beds were originally licensed as residential facility beds by the department of mental retardation and developmental disabilities;

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- (b) Six dollars and seventy-nine cents per resident day if the beds were originally licensed as nursing home beds by the department of health.
- (9) For facilities with dates of licensure after December 31, 1982, but prior to January 1, 1984, not exceeding:
 - (a) Twelve dollars per resident day if the beds were originally licensed as residential facility beds by the department of mental retardation and developmental disabilities;
 - (b) Seven dollars and nine cents per resident day if the beds were originally licensed as nursing home beds by the department of health.
- (10) For facilities with dates of licensure after December 31, 1983, but prior to January 1, 1985, not exceeding:
 - (a) Twelve dollars and twenty-four cents per resident day if the beds were originally licensed as residential facility beds by the department of mental retardation and developmental disabilities;
 - (b) Seven dollars and twenty-three cents per resident day if the beds were originally licensed as nursing home beds by the department of health.
- (11) For facilities with dates of licensure after December 31, 1984, but prior to January 1, 1986, not exceeding:
 - (a) Twelve dollars and fifty-three cents per resident day if the beds were originally licensed as residential facility beds by the department of mental retardation and developmental disabilities;
 - (b) Seven dollars and forty cents per resident day if the beds were originally licensed as nursing home beds by the department of health.
- (12) For facilities with dates of licensure after December 31, 1985, but prior to January 1, 1987, not exceeding:
 - (a) Twelve dollars and seventy cents per resident day if the beds were originally licensed as residential facility beds by the department of mental retardation and developmental disabilities;

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- (b) Seven dollars and fifty cents per resident day if the beds were originally licensed as nursing home beds by the department of health.
- (13) For facilities with dates of licensure after December 31, 1986, but prior to January 1, 1988, not exceeding:
 - (a) Twelve dollars and ninety-nine cents per resident day if the beds were originally licensed as residential facility beds by the department of mental retardation and developmental disabilities;
 - (b) Seven dollars and sixty-seven cents per resident day if the beds were originally licensed as nursing home beds by the department of health.
- (14) For facilities with dates of licensure after December 31, 1987, but prior to January 1, 1989, not exceeding thirteen dollars and twenty-six cents per resident day;
- (15) For facilities with dates of licensure after December 31, 1988, but prior to January 1, 1990, not exceeding thirteen dollars and forty-six cents per resident day;
- (16) For facilities with dates of licensure after December 31, 1989, but prior to January 1, 1991, not exceeding thirteen dollars and sixty cents per resident day;
- (17) For facilities with dates of licensure after December 31, 1990, but prior to January 1, 1992, not exceeding thirteen dollars and forty-nine cents per resident day;
- (18) For facilities with dates of licensure after December 31, 1991, but prior to January 1, 1993, not exceeding thirteen dollars and sixty-seven cents per resident day;
- (19) For facilities with dates of licensure after December 31, 1992, not exceeding fourteen dollars and twenty-eight cents per resident day.
- (C) Cost of ownership payments to ICFs-MR with eight or fewer beds shall not exceed the following ceilings:
 - (1) For ICFs-MR that have dates of licensure or have been granted project

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authorization by the department of mental retardation and developmental disabilities before July 1, 1993, and for ICFs-MR of eight or fewer beds that have dates of licensure or have been granted project authorization after that date if the ICF-MR demonstrates that it made substantial commitments of funds before July 1, 1993, cost of ownership payments shall not exceed the following ceilings:

- (a) For the fiscal year beginning July 1, 1993, eighteen dollars and forty cents per resident day; and
 - (b) For the fiscal year beginning July 1, 1994, eighteen dollars and forty cents per resident day, adjusted to reflect the rate of inflation for the twelve-month period beginning July 1, 1992, and ending June 30, 1993, using the "Consumer Price Index for Shelter Costs for All Urban Consumers for the North Central Region," published by the United States bureau of labor statistics; and
 - (c) For subsequent fiscal years, the limitation in effect during the previous fiscal year, adjusted to reflect the rate of inflation for the twelve-month period beginning on the first day of July for the calendar year preceding the calendar year that precedes the fiscal year and ending on the following thirtieth day of June, using the "Consumer Price Index for Shelter Costs for All Urban Consumers for the North Central Region," published by the United States bureau of labor statistics.
- (2) For ICFs-MR that have dates of licensure or that have been granted project authorization by the department of mental retardation and developmental disabilities on or after July 1, 1993, for which substantial commitments of funds were not made before July 1, 1993, cost of ownership payments shall not exceed the applicable amount calculated under paragraph (C)(1) of this rule, if the Ohio department of job and family services (ODJFS) gives prior approval for construction of the facility. If ODJFS does not give prior approval, cost of ownership payments shall not exceed the amount specified in paragraph (B)(6) of this rule as adjusted for inflation under paragraph (E) of this rule. The prior approval process for the purpose of increasing cost of ownership payments for new beds or relocated beds is as follows:

(a) Prior to commencement of construction, the provider must submit a request in writing to the ODJFS, bureau of long-term care facilities reimbursement section designee for a higher cost of ownership ceiling prior to initiation of construction of the new facility. This request should include:

(i) The projected completion date for the new ICF-MR facility.

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- (ii) A copy of the department of mental retardation and developmental disabilities approval.
- (iii) A projected budget for the new ICF-MR facility that includes a projected three month cost report that contains all cost centers and inpatient days so that an overall rate can be calculated. For beds relocated from an existing facility, the same information must be received for the existing facility and the facility to which the beds are to be relocated.
- (b) ODJFS shall review the proposal and the projected budget, comparing the projected cost per diem to the rate currently associated with the beds for cost neutrality to the Ohio medicaid program. Cost neutrality will be evaluated across beds transferred to the new facility (or facilities) and the beds remaining in the existing facility.
- (c) Approval for the increased cost of ownership payments will be granted contingent upon the receipt by ODJFS of the provider's filed actual cost report for the first three months of operation confirming cost neutrality to the Ohio medicaid program. Until a final determination is made by ODJFS with regard to the request for increased cost of ownership payments, the lower cost of ownership ceiling will be effective.
- (d) Written approval or denial of the preliminary request will be made by ODJFS within sixty days of the date the initial request was made and the required documentation was received. Written documentation of the final determination will be provided by ODJFS within sixty days from the date the new facility's actual three month cost report is received.
- (e) If the project continues to satisfy the cost neutrality standard, the higher cost of ownership ceiling will be implemented retroactively to the first day the new facility's medicaid provider agreement was effective. If the request is denied, the provider will continue to receive the lower cost of ownership ceiling.
- (3) Notwithstanding the provisions of rule 5101:3-3-84.3 of the Administrative Code and paragraphs (C)(1) and (C)(2) of this rule, the total payment for cost of ownership, cost of ownership efficiency incentive, and capitalized costs of renovations for ICFs-MR with eight or fewer beds shall not exceed the sum of the ceilings as specified under paragraph (B)(6) of this rule as adjusted-for inflation under paragraph (E) of this rule and the provisions of rule 5101:3-3-84.3 of the Administrative Code.
- (D) ODJFS shall pay each ICF-MR an efficiency incentive that is equal to fifty per cent of the difference between the following:

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- (1) The ICF-MR's desk-reviewed, actual, allowable, per diem cost of ownership which includes depreciation for costs that are paid or reimbursed by any government agency; and
- (2) The applicable efficiency incentive ceiling for each ICF-MR:
 - (a) For ICFs-MR with more than eight beds, the applicable ceiling as specified under paragraph (B) of this rule based upon each facility's own specific date of licensure and cost of construction updated for inflation under paragraph (E) of this rule; and
 - (b) For ICFs-MR with eight and fewer beds, the applicable ceiling as specified under paragraph (B) of this rule based upon each facility's own specific date of licensure and cost of construction updated for inflation under paragraph (E) of this rule.
 - (i) For fiscal year beginning July 1, 1993, the maximum efficiency incentive payment as calculated under paragraph (D) of this rule for ICFs-MR with eight or fewer beds shall not exceed a ceiling of three dollars per resident day; and
 - (ii) For fiscal year beginning July 1, 1994, and thereafter, the three dollars per resident day is updated for inflation under paragraph (E) of this rule.
- (E) For purposes of increasing the ceilings specified under paragraphs (B) and (D)(2) of this rule, the following applies:
 - (1) For fiscal year that begins July 1, 1993, adjust the ceilings specified under paragraphs (B) and (D)(2) of this rule to reflect the rate of inflation for the twelve month period beginning July 1, 1991 through June 30, 1992 using the "Consumer Price Index for Shelter Costs for All Urban Consumers for the North Central Region," published by the United States bureau of labor statistics.
 - (2) For subsequent fiscal years, each of the ceilings, as increased from the prior fiscal year, shall be adjusted to reflect the rate of inflation for the twelve-month period beginning on the first day of July for the calendar year preceding the calendar year that precedes the fiscal year and ending on the following thirtieth day of June, using the "Consumer Price Index for Shelter Costs for All Urban Consumers for the North Central Region," published by the United States bureau of labor statistics.

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(F) ICFs-MR which complete extensive renovations as defined under rule 5101:3-3-01 of the Administrative Code, will receive a per diem for cost of ownership based upon the costs as specified under paragraph (A) of this rule. The per diem for cost of ownership reflects actual expenditures subject to the provisions under rule 5101:3-3-84 of the Administrative Code.

- (1) The date of licensure for an extensively renovated ICF-MR shall be considered to be the date of completion of the extensive renovation.
- (2) The current ceilings as calculated under paragraphs (B), (C), and (D)(2) of this rule shall be assigned to the extensively renovated facility using the date of licensure as determined under paragraph paragraphs (B) and (C) of this rule.
- (3) An extensively renovated ICF-MR, which obtains new ceilings as determined under paragraphs (B), (C), and (D)(2) of this rule, shall not be permitted any reimbursement for nonextensive renovations under rule 5101:3-3-84.3 of the Administrative Code made prior to the extensive renovation project which resulted in the new ceilings. Thereafter, the cost and accumulated depreciation of the nonextensive renovation shall be included in cost of ownership.
- (4) An extensively renovated ICF-MR shall not be permitted to receive any reimbursement for nonextensive renovations under rule 5101:3-3-84.3 of the Administrative Code for a period of five years after the completion of the extensive renovations, with the exception of those nonextensive renovations necessary to meet the requirements of federal, state or local statutes, ordinances, rules or policies.

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Certification

12/12/2002

Date

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